

FISCAL NOTE

Bill #: HB0263

Title: Uniform formal complaint process for state agencies

Primary Sponsor: Lange, M

Status: As Amended in House Committee

Sponsor signature

Date

David Ewer, Budget Director

Date

Fiscal Summary

| | <u>FY 2006 Difference</u> | <u>FY 2007 Difference</u> |
|--|--------------------------------------|--------------------------------------|
| Expenditures: | | |
| General Fund | \$254,520 | \$147,986 |
| Revenue: | | |
| General Fund | \$0 | \$0 |
| Net Impact on General Fund Balance: | (\$254,520) | (\$147,986) |

- | | |
|---|--|
| <input type="checkbox"/> Significant Local Gov. Impact | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts |
| <input type="checkbox"/> Dedicated Revenue Form Attached | <input checked="" type="checkbox"/> Needs to be included in HB 2 |

Fiscal Analysis

ASSUMPTIONS:

Department of Justice (DOJ)

1. The Division of Criminal Investigation currently receives at least two allegations of illegal activity per week. Two complaints times 52 weeks equals over 100 complaints per year – prior to this legislation.
2. All complaints must be screened to determine if the allegation is in violation of the law.
3. Assuming that 50 percent of the complaints are found to be criminal in nature and a thorough investigation is necessary, 50 investigations will be conducted per year.
4. An acceptable caseload for a criminal investigator at any given time is 10.
5. Assuming that all assigned cases can be investigated and closed in 45 days (as the legislation states), one investigator can handle 40 cases per year.
6. The Division of Criminal Investigation will require one investigator, at a minimum, to handle complaints made to the attorney general.
7. Salary and benefits for one investigator equal \$49,403 in FY 2006 and \$51,379 in FY 2007.
8. Initial set-up expenses for one investigator is \$22,976 – including computer (\$1,273), furniture (\$1,703), law enforcement equipment (\$2,000), and a vehicle (\$18,000).
9. Ongoing operating expenses for one investigator total \$11,151 – including network fees (\$871), supplies (\$2,000), communications (\$900), travel (\$4,980), and rent (\$2,400).

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Department of Health and Human Services (DPHHS)

10. DPHHS receives approximately 8,000 complaints per year agency wide. Programs within DPHHS currently track complaints based on several factor's, including federal regulations pertaining to programs. These complaints are not kept in a single source location for tracking of consideration or response.
11. It is estimated that it would require 2.00 FTE, grade 10 to monitor and track all complaints filed with DPHHS. This staff would provide administrative and coordination support for the DPHHS related to complaint filing and resolution. The staff will be supervised by an existing employee. Total costs for staff time including salaries and benefits are estimated to be \$68,886 in FY 2006 and \$68,698 in FY 2007.
12. It is estimated that the operating costs for two new employees include the new employee package of \$1,073 and computer equipment of \$1,273 per new employee in FY 2006 only, and on going operating costs such as rent and supplies of \$1,758 in both FY 2006 and FY 2007.
13. It is assumed that the department will need to develop a computer system to track and report on complaints filed with DPHHS as a result of this bill. The system must be sophisticated enough to be able to incorporate the needs of the various programs for tracking and recording the complaints and resolutions, and maintain confidentiality. Additionally, the system must have the capability to create and run reports in formats useful to the various programs. It is estimated that the design and development of this system will take a programmer 1,000 hours at a cost of \$100 per hour for a development cost of \$100,000 in FY 2006. It is estimated that it will take 150 hours per year for maintenance of this system at \$100 per hour for a cost of \$15,000 in FY 2007.
14. Funding is estimated to be 100 percent general fund as many federal programs will consider this above the normal administrative function. Other funds that may be used to support this function would be hard to estimate as it would depend on the program for which the complaint was made.

Other State Agencies

15. The remainder of state agencies indicated that they either already have a process in place and therefore would have no fiscal impact, or could not identify the fiscal impact to their agency.

FISCAL IMPACT:

| | <u>FY 2006</u> <u>Difference</u> | <u>FY 2007</u> <u>Difference</u> |
|--|-------------------------------------|-------------------------------------|
| Department of Justice (DOJ) | | |
| FTE | 1.00 | 1.00 |
| <u>Expenditures:</u> | | |
| Personal Services | \$49,403 | \$51,379 |
| Operating Expenses | 16,127 | 11,151 |
| Equipment | <u>18,000</u> | <u>0</u> |
| TOTAL | \$83,530 | \$62,530 |
| <u>Funding of Expenditures:</u> | | |
| General Fund (01) | \$83,530 | \$62,530 |
| Department of Health and Human Services (DPHHS) | | |
| FTE | 2.00 | 2.00 |
| <u>Expenditures:</u> | | |
| Personal Services | \$68,886 | \$68,698 |
| Operating Expenses | <u>104,104</u> | <u>16,758</u> |
| TOTAL | \$170,990 | \$85,456 |

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Funding of Expenditures:

| | | |
|-------------------|-----------|----------|
| General Fund (01) | \$170,990 | \$85,456 |
|-------------------|-----------|----------|

Net Impact to Fund Balance (Revenue minus Funding of Expenditures):

| | | |
|-------------------|-------------|-------------|
| General Fund (01) | (\$254,520) | (\$147,986) |
|-------------------|-------------|-------------|

TECHNICAL NOTES:

1. The bill does not define the term “complaint”. Clarification would be helpful in determining the impact of this bill.

Department of Labor and Industry (DLI)

2. HB 263 fails to provide an exception for administrative decisions, determinations, or contested case hearings (unemployment insurance tax or benefits, wages and hours, human rights, collective bargaining, and other complaints), which have complaint procedures outlined in statute or administrative rule.
3. The U.S. Department of Labor has an established complaint process to respond to complaints made by any individual participating, or desiring to participate, in department programs.

Department of Health and Human Services (DPHHS)

4. There are Federal (Code of Federal Regulations-CFR) and State regulations to address complaints related to program administration. These include formal and informal complaint resolution systems. Many define the process for which a complaint and appeal is to be done, and in certain programs the systems to be used, such as a national tracking system. Additionally, DPHHS is subject to the Fair Hearing Process for many of its adverse decisions. This bill may inadvertently conflict with other requirements related to complaint resolution and the current format is insufficient for many federal regulations.
5. Current federal and state regulations require programs to inform their clients of the grievance or appeal process as defined by those regulations. Additionally, contractors and providers are also made aware of the appeal process relating to each program. Adding a unified formal complaint would interject a new level of complaint response time frames.
6. Many of the activities in the department are confidential and covered by the Health Insurance Portability and Accountability Act (HIPAA). Additional security would be need to be developed to ensure confidentiality. The Uniform Public Complaint Form may need to be modified to allow for the release of confidential information to the department or the investigator.
7. Programs receive both telephone and written complaints. Having a formal written process is often not expedient in certain situations where a child or client’s health or safety is at risk.
8. Definitions of complaints are too broad and may result in filing where the person complaining does not have a reasonable reason to grieve, the complaint may be related to issues that the department has no influence over.